

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JUNE 20, 2007

DEPARTMENT: REDEVELOPMENT AGENCY MEETING

DIRECTOR: SCOTT D. ADAMS

SUBJECT:

RESOLUTIONS:

RA-10-2007 – Discussion and possible action regarding a Resolution finding that the project known as Project Pulse, subject to an Ownership Participation Agreement (“OPA”) between the City of Las Vegas Redevelopment Agency and REI Neon, LLC, is in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and further approving the OPA - Ward 3 (Reese) [NOTE: This item is related to Council Items 75 and 89 (R-52-2007)]

Fiscal Impact

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No Impact

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Augmentation Required

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Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

REI Neon, LLC is, at this time, one of seven proposed bidders for an event center in downtown Las Vegas. They are also seeking on today's afternoon agenda entitlements and other related applications, including gaming overlay for a major mixed-use development. REI Neon, LLC approached the Redevelopment Agency to discuss and negotiate an Owner Participation Agreement (OPA) for tax increment financing to potentially cover infrastructure cost and the majority of the cost of the development of their proposed event center. The developer has indicated that if they were awarded this OPA, and; if they were granted their entitlements, and; if they were selected as the City's preferred event center builder, that they would proceed to close on the acquisition of this approximate 85-acre site and move forward with the development of the event center and major mixed-use development. REI may request that the city work cooperatively to form a Tourism Improvement District pursuant to NRS 271A also.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Resolution No. RA-10-2007
2. Owner Participation Agreement
3. Public Purpose/Impact Analysis
4. Submitted at meeting – Written comments by Tom McGowan

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Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

SCOTT ADAMS, Director of the Office of Business Development, detailed the combined City Council and Redevelopment Agency items involving a tourism district and project. He reviewed various maps and renderings of the very large project. The proposed tax incentive is routine, except for the size of the \$9.5 billion multi-use project. Although the City has carefully not committed to preselecting this developer as the developer of a downtown arena, the items are preconditioned to include that possibility. If they are selected, the City would get the arena built with all the risk assumed by the developer.

At COUNCILMAN WOLFSON'S request, MR. ADAMS explained the tax benefits an applicant would receive through the Tax Increment Financing (TIF) program and the tourism improvement district laws. He noted that the Owner Participation Agreement established the procedures through which the City would rebate a portion of the applicant's taxes, and he described the different percentages that would be rebated to the applicant, depending on whether or not the arena is built. MR. ADAMS also pointed out the remainder of the TIF would be reinvested in the Arts District with a portion going to the Redevelopment Agency. Acknowledging the concerns of some Arts District residents, he highlighted the differences in this agreement compared to similar agreements already granted by the City, pointing out how development of this project would be tied to the Arts District.

COUNCILMAN REESE emphasized that the developer was proposing to construct an arena at no cost to the City and its taxpayers, with which MR. ADAMS concurred. MR. ADAMS added that the developer would not receive any rebates until after the project had been built, protecting the City's position regardless of what is actually developed.

In response to MAYOR GOODMAN'S questioning, MR. ADAMS clarified that each phase would have a separate TIF that would come before the City as each phase is completed. He estimated the City's tax assessment would be in the vicinity of \$950 million.

MAYOR GOODMAN emphasized that approval of these items could not be interpreted by the applicant as reflecting the City's preference for this developer as the builder of the arena and reiterated that all interested developers shared a level playing field. MR. ADAMS noted that the tax incentives being requested by the applicant were available to any private developer of private land.

JILL FERRARI, project manager and member of REI Neon, LLC, appeared on behalf of the applicant and stated she understood the application and approval process for the arena.

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In response to COUNCILMAN WOLFSON'S request, MR. ADAMS pointed out the two-plus acres the Arts District would be losing. COUNCILMAN REESE stated the Arts District would only benefit from this proposal and COUNCILMAN WOLFSON agreed. MR. ADAMS observed that the construction of an arena in downtown San Diego had significantly contributed to the area's successful redevelopment.

COUNCILWOMAN TARKANIAN pointed out that a portion of this project's tax revenue would be earmarked for affordable housing in the Arts District and MR. ADAMS clarified the housing would be in or near the Arts District. COUNCILMAN REESE assured COUNCILWOMAN TARKANIAN that the displaced artists would be assisted in finding affordable rental space. She stated this proposed arena would be a great source of foot traffic for the Arts District. MS. FERRARI interjected that three traffic studies were submitted to staff and assured COUNCILWOMAN TARKANIAN that the initial findings were good.

COUNCILMAN BARLOW complimented the applicant's work on the proposal so far and questioned MR. ADAMS on the impact this project would have on the City's 61 acres. MR. ADAMS replied that this proposal would help extend the Strip towards downtown and act as a connection between the Strip and the City's 61 acres.

City Council Item 75 and Redevelopment Agency Item 6 for 6/20/2007 contain duplicate minutes.

